



# **San Diego City Attorney MICHAEL J. AGUIRRE**

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## **NEWS RELEASE**

**FOR IMMEDIATE RELEASE: October 10, 2008**

**Contact: Communications Division (619) 235-5725**

### **CITY ATTORNEY STRESSES URGENCY FOR BANK OF AMERICA TO COMMUNICATE WITH COUNTRYWIDE BORROWERS FACING FORECLOSURES**

**San Diego, CA—** In a letter to Bank of America, City Attorney Michael Aguirre today urged the lending institution, which acquired Countrywide Financial Corporation, to provide needed information to more than 300 struggling families in San Diego who have contacted the City Attorney's Office regarding a recent state settlement that addresses foreclosures and mortgage loan modifications.

On October 6, 2008, the Attorney General announced a settlement with Countrywide "that is expected to provide up to \$8.68 billion of home loan and foreclosure relief nationally, including \$3.5 billion to California borrowers."

While the terms of the settlement will not go into effect until December 1, 2008, Bank of America has publicly said that foreclosures statewide will be halted, and a "Homeownership Retention Program" will be implemented giving lenders and borrowers an opportunity to rework their loans.

"Many of our citizens have expressed outrage over the \$700 billion federal bailout package approved for the financial industry," said City Attorney Aguirre. "The least they can expect is a rapid response from Bank of America/Countrywide to assist homeowners unable to keep current with mortgage payments."

The City Attorney made the following requests in his letter:

- A public communication by October 17<sup>th</sup> that will explain exactly what is known about the Homeownership Retention Program.
- A commitment from the Bank that fully trained personnel will be available via telephone by October 27<sup>th</sup> and that this team will be large enough to respond in a timely fashion to the volume of calls expected.
- The Bank's confirmation in writing of its publicly stated commitment that foreclosures will be halted throughout the City of San Diego until the retention program is in place.
- Naming an official within the Bank of America or Countrywide Financial Corporation by October 17<sup>th</sup> who will be the institutions' liaison with the City Attorney's Office during the period leading up to implementation of the retention program.

(MORE)

On July 23, 2008, the City Attorney filed a civil lawsuit against Countrywide alleging that it had engaged in a “pattern of unlawful, fraudulent or unfair predatory real estate lending practices” that has caused numerous residents in the City of San Diego to be in jeopardy of losing their homes through foreclosures.

The City Attorney’s complaint was the first in the State to call for a foreclosure moratorium that would allow the borrower and lender to rework their loans.

To view the letter to Bank of America, visit [www.sandiegocityattorney.org](http://www.sandiegocityattorney.org), click “Foreclosure Crisis.”

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